CHAPTER FOUR

Marketing Strategies of the Tourism Industry in Bangladesh

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4.1. Preamble

The heart of modern marketing management is the formulation and implementation of the firm’s or industry’s marketing strategy. This marketing strategy sets out as well as spells out the ‘action plans’ which the marketing manager follows to attain his objectives most effectively. It involves the broad principles by which the business unit expects to achieve its marketing objectives in a target market and it consists of the basic decisions on the total marketing expenditure, marketing mix, and marketing allocation. It encourages systematic thinking ahead, leads to achieve better co-ordination of group efforts and finally guides in developing suitable performance measuring tools and standards and thereby helps achieve organizational goal of profit maximization through maximum customer satisfaction. The marketing manager uses a set of tools to implement the spelled out ‘action plan or game plan’ encompassing some major decision areas and tries to fulfil his/her marketing objectives. McCarthy popularized a four-factor classification of these tools including product, place (distribution), price and promotion.

An explicit statement of strategy is the key to success in the context of dynamic tourism market environment. Therefore, the policy makers of the National Tourism Organization (NTO) and other tourism firms need proper ‘action plans or marketing designs’ to attain better results from the marketing activities. These ‘action plans or marketing designs’ of the tourism industry include the types of products/services to offer to the tourists, prices to charge, intermediaries to engage.

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in the channel of distribution/collection and forms of promotional measures to use to inform and persuade the existing and potential tourists. All these should be properly decided and efficiently blended to meet the needs of the tourists and fulfil the objectives of the industry satisfactorily. That is, while formulating the marketing strategies for tourism industry, it should differences of the needs and expectations of the visitors of different market segments and thus plan the efficient marketing strategies which may help achieve the visitors' satisfaction and fulfil the industry's marketing objectives.

4.2. The Issue of Four Ps for Tourism Industry

The marketing mix provides a framework for evaluating the scope of marketing activities performed by service and manufacturing firms. Before developing the marketing strategies, the marketing manager has to define and understand precisely the industry's marketing mix elements. It is mentioned earlier that McCarthy's classification emphasized four factors which included Product, Place (Distribution), Price and Promotion. These factors are literally known as four Ps which are controllable to the marketing manager and can be adjusted with the changes of the market conditions. The marketing manager's strategies or action plans are usually structured on the basis of these four Ps.

But Booms and Binter have adapted marketing mix on the basis of the arguments stressing that the original marketing mix is more appropriate to the manufacturing firms than to the service firms. They have added three extra Ps which include People, Physical evidence and Process. According to their argument, these three factors are directly associated with the services to be performed for and

delivered to the tourists. For example, they have emphasized the intangible elements of the people like human behaviour which are mainly responsible for the quality of the services and the control of this industry. Booms and Binter have again pointed out that the marketing mix consisting of the four Ps is not comprehensive enough for the service industry like tourism and hospitality. Magrath\(^7\) has also argued that the four Ps are not enough for the marketing of services. According to him, another three Ps as strategic elements occupy management's attention and these must be included in the marketing mix. These are personnel, physical facilities and process management.

But till today, the most popularly accepted marketing mix includes McCarthy's four-factor classification. Uysal\(^8\) has argued that the most widely accepted marketing approach is based on the four Ps - Product, Place, Price and Promotion. Cooper, Fletcher, Gilbert and Wanhill\(^9\) have also stressed the four Ps for the marketers of the tourism and hospitality industry. According to them, these four Ps offer an adequate framework into which the differences can be incorporated. While it is obvious that there are differences between the manufactured and the service products, the framework of the four Ps is sufficient for planning purposes. Because, people (training, attitude, behaviour), physical evidence (colour, lighting) and process (procedure in service delivery, customer involvement) may be considered as part of the category of product/service or its implementation. Considering this argument appropriate, the researcher thinks that within the framework of these four Ps the management of the tourism industry is in a position to control necessary marketing-mix related decisions and activities. What is

\(^7\) Magrath, A. J., "When Marketing Services, 4 Ps are not Enough," Business Horizons, Vol. 29, No. 3 (May-June), 1986, P. 44.


important here is to make all these four elements compatible with each other and ensure coordinated group efforts from the marketing management of the tourism industry. Therefore, the present research has made attempts to the study of four-factor strategical aspects of the industry in Bangladesh.

4.3. Marketing Strategies of the Tourism Industry in Bangladesh:

The core section of this study attempts to analyze the most popularly accepted premises of marketing strategies. It studies the issues concerning the product/service, place (channel of distribution/collection), price and promotion strategies of the tourism industry in Bangladesh. The analyses below will focus on the existing marketing action plans like ‘how and why the managers of this industry offer certain product/service packages to the tourists, how products/services are distributed to the tourists, how and why certain prices are charged and what forms of promotion and which media are used to promote the potential tourists’:

A. Product/Service Strategies: Tourism is an industry which includes multifaceted activities together to produce and offer the product and/or service packages for the tourists. This industry basically produces and markets intangible products or service-products. The tourism product is quite a complex one, since it can comprise a place (the holiday destination), a service (a tour operator’s package incorporating the use of an airline seat, a hotel room and sometimes other facilities) and occasionally certain tangible products such as free flight bags, or a free bottle of duty-free spirits to encourage booking.\(^{10}\)

Gilbert pointed out that within tourism we are selling both the combination of product and service but the emphasis is on service. In the light of the above statement, both tourism product and service can be used to mean the similar thing or combined idea, as most of the experts used. In this way of expression, Middleton named these two as 'tourist product'. Middleton explained “The tourist product is to be considered as an amalgam of three main components of attractions and facilities at the destination and accessibility of the destination. In other words, the tourist product is not an airline seat or a hostel bed or relaxing on a sunny beach but rather an amalgam of many components or a package”. Each of the components of tourism product has its own significance for both the tourists and the marketers and the absence of any component will lead to an incomplete mix of tourism product. Therefore, tourism product includes the complete experience of the tourist regarding the destination country during the total period of his/her tour.

Product strategy involves deciding what tourism product, service facilities, service quality and type of packaging to offer to the target markets. It also involves decision on product positioning which again refers to developing a product attribute for establishing competitive advantage and creating valuable appeal in its promotion campaigns. In tourism marketing, “product planning is an essential component in developing a profitable and continuing business and has been referred to as the five rights—planning to have the right product, at the right place, at the right time, at the right price, in the right quantities.”

Rao, Thomas and Javalgi’s\textsuperscript{15} explanation on product strategy also encompasses and highlights a similar idea on service strategy. In that sense, service strategy in tourism marketing is concerned with deciding on the level of services to be offered by the accommodation firms, tour operators, travel agents, holiday resorts, restaurants, transport companies, etc. As tourism is a combination of both product and service, any idea of tourism product can be replicated for tourism service and vice-versa.

In product/service strategies, the tourism marketers need to decide on the types of package tours to be offered, destinations to be covered, service package (modes of transports, types of hotel rooms, etc.) to be included, tangible products (foods, drinks, tea, etc.) to be served and facilities (play ground, hotel room, swimming pool, night life, etc.) to be provided. Therefore, the first step of strategy formulation in tourism marketing should be to determine the nature of products and extent of services to be sold to the potential tourist customers. It should be remembered that the success in tourism marketing largely depends upon the right product/service strategies. In formulating these strategies, the marketers should also take into considerations that there must exist a balance between the nature of products as well as extent of services expected by the tourists and products to be offered as well as services to be provided by them.

Due to the variations in needs and wants of the tourists, the marketers of tourism industry need to develop several distinctive products and services which will be appealing to the different market segments and fulfilling their varying needs. Otherwise, if the product is not what the market wants, no amount of price adjustment, dependable delivery or brilliant promotion will encourage consumers

(here tourist consumers) to buy it - or at least, not more than once\(^\text{16}\). These variations in tourism needs, coupled with a set of core product, mean that the marketing strategy needs to be varied based upon the variations of the requirement in the different countries\(^\text{17}\) and also in the different market segments of the same country. Moreover, tourists’ needs and wants are changing continuously, and competitors are coming up rapidly with new offers for the tourists. Therefore, a product or service may be acceptable right now but may not be successfully accepted at a later time. As the tourists’ wants change, so must the attractions, facilities at the destinations and accessibility to the destinations be changed and updated accordingly. The tourism firms, therefore, will constantly watch the market conditions and respond with continuous appraisal of product/service strategies to make necessary modifications of the existing products/services and develop new ones to cater for present demand of the market successfully. The following subsections discuss the product/service strategies of some major tourism firms in Bangladesh:

i. **Product/Service Strategies of the BPC:** BPC offers eleven major types of package tours covering almost all the important and attractive destinations of the country. BPC also arranges four to five hours’ city tours at Dhaka city. BPC, in its package tour programmes, covers the most attractive destinations including Cox’s Bazar, Chittagong, Rangamati, Mainamati, Sylhet, Jaflong, Savar, Paharpur, Mahasthanagarh, Kuakata, Hironpoint and the Sundarbans. It also offers cruise programmes of different durations for different river routes of the country. Most of its attractive cruise programmes combine live music, breakfast with snacks and tea/coffee, lunch/dinner, evening tea/coffee, swimming, fishing, etc.


To meet the varying needs and wants of the different market segments, BPC’s package tours and cruise programmes are designed with a tailored time length and service package, various categories of hotel rooms (AC and non-AC rooms including economy class rooms), several types of transport services (bus, coaster, micro-bus and taxi services with AC and non-AC facilities), and different food items (country-wise food opportunities) through its catering units. BPC operates its tours and cruise programmes by its own vehicles. At present, BPC has three buses, three micro buses, seventeen taxis, three jeeps (4x4) and one cruise vessel. As the National Tourism Organization in Bangladesh, BPC should only develop the infrastructure and promote Bangladesh’s tourism at both the national and the international levels. But as the industry is at the initial stage and a large number of private organizations has not yet come up to provide these services, BPC has to develop and offer these services in addition to developing the infrastructure and promoting tourism in the country. Therefore, BPC should continue its package tours, river cruise programmes, accommodation supplies, restaurant arrangements and taxi services as long as a large number of private tour operators are established.

Moreover, BPC devotes continuous appraisal for some products and services to meet the changing needs of the tourist markets. It reviews the needs and wants of the market, emphasizes the adaptation of its service package and facilities to be offered, makes necessary modifications of the existing products/services and develops new ones. For making the changes and developments, BPC does not or cannot conduct any formal market research due to the resource constraints. But it usually does those changes and developments on the basis of observations, informal conversations with the customers, ideas and experiences. While planning the changes and developments of products and services, it mainly emphasizes four major decision areas including the types of tourists to be attracted, the number of tourists can be attracted, the purposes of tourists’ visits and the potential income
from the products and services to be developed. Of course, it cannot change or modify its destinations and other core products due to the same reason.

BPC has recently constructed a Holiday Home at Kuakata. This Holiday Home consists of two AC twin-bed rooms (four beds), eight non-AC twin-bed rooms (sixteen beds), and a dormitory (three beds). Kuakata Holiday Home has started its commercial operations at the beginning of 1998. The work of the Madhabkunda project for improving tourism facilities is also about to be completed by the end of 1998. For the purpose of accelerating the tourism activities in the southern region of the country, BPC has submitted a proposal to construct a motel at Barisal which is now under consideration for approval. To provide more facilities at Teknaf, preliminary work has already started for constructing a hotel and establishing a ‘Boat Club’. The work of this project is expected to be completed very soon. Steps for the construction of a man-made ‘Tourist Centre’ on Dhaka-Chittagong Highway near Meghna Bridge have also been taken by the BPC in order to develop more tourism facilities in the country. The infrastructure of Sonadia Island in the Bay of Bengal will be provided and it is planned to develop as an exclusive tourist resort for the foreign tourists with facilities of rest, recreation, sports and amusement of modern nature. BPC’s efforts are on to construct a motel and a duty-free shop at the country’s biggest land port, Benapole. These two projects will be implemented immediately after the approval of the planning commission. Another project to establish a ‘tourist centre’ at Mujibnagar is also under consideration of the commission. Moreover, BPC is planning to enhance the tourism facilities at the St. Martin’s Island which is the country’s only coral island. BPC also intends to construct a 5 star hotel and a business centre on its head office premises, a tourist town at Mohakhali and a Children’s Park and Zoo at any suitable

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place in Dhaka. Some more projects for different destinations are also awaiting the approval of the planning commission of the Government of Bangladesh.

ii. Product/Service Strategies of the Tour Operators: Each of the sample tour operators offers a good number of package tour programmes. The Guide Tours Limited conducts 16 such package tours, while Unique Tours and Travels offers 9 different package tours to the customers. All the tour operators offer cruise programmes of tailored time lengths ranging four hours, half-day, full day, full night and twenty four hours. Tourists can enjoy the riverine beauty as well as the natural beauty of the countrysides from the river. Thus they offer a wide-range of choices for the tourists. They also emphasize the changes and developments of their service packages to meet the changing demands of the tourist customers.

iii. Product/Service Strategies of the Airlines: Biman Bangladesh offers two classes of seats in the aircrafts engaged in operating flights to and from different international destinations. These are economy class and executive class. Different service packages are offered to these two classes of the international passengers. Service packages for the domestic flights also differ from those of the international flights. Biman conducts seven holiday package tours of different time lengths (from 2 days/1 night to 5 days/4 nights). These cover most of the interesting destinations of the country. It also offers half-day sight seeing tours in and around Dhaka city and half-day river cruise programmes for the stop-over passengers. Of course, Biman does not provide any limousine services to and from hotels and airports for its passengers. Besides, Kamal and Chowdhury noted that management fails to offer better services compared to most of its competitors.  

Some private airlines are also operating their flights to different domestic destinations of the country. The first such private airline is ‘Aero Bengal Airlines’ which started its commercial operations from the 17th July in 1995. It has collected two Chinese built Y-12 and one Russian built N-24 aircrafts. The second private airline is ‘Air Parabat’ which came into being and started commercial operations on January 11, 1998 with two brand new Czech-built LET L-410 turbo prop aircrafts. The third but the leading airline is the ‘GMG Airlines’ which launched its commercial flight-operations on the 6th April of 1998. Instead of hiring STOL (Short Take Off and Landing)-type aircrafts like the other private airlines in Bangladesh, GMG has taken two Canadian Bombardier built full-fledged and sophisticated DASH 8 aircrafts on lease with an option to purchase. GMG is also planning to obtain two other turbo prop DASH 8 SRS 100 type aircrafts on lease with an option to purchase from the same company.

iv. Product/Service Strategies of the Travel Agencies: The travel Agencies in Bangladesh usually arrange the booking of air tickets and collect those tickets from the airlines or other approved travel agencies on behalf of the passenger-customers. Besides, the service packages of the travel agencies in Bangladesh also include booking of hotels for the foreign tourists and dealing with inbound package tours. But in reality, a few of them help the tourists in hotel booking and a very few deal with package tour programmes.

Though the travel agencies in Bangladesh make themselves known as ‘travel agents and tour operators’, their service is mainly confined to the selling of airline tickets only. Therefore, the travel agencies should diversify and expand their range of services to ensure an effective and meaningful role to be played by them. ATAB should play its due role in this regard. ATAB is the association of the travel

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agencies in Bangladesh. It offers training courses for the executives working with
the travel agents in Bangladesh and participates in national as well as international
seminars and exhibitions.

v. Product/Service Strategies of the Hotels and Restaurants: The star and
other standard hotels usually offer the customers flexible options of services.
Almost with each of the standard category hotels, there are facilities for catering and
entertainment\(^{21}\). The star and some standard hotels have air-condition and bar
facilities. The star hotels have arrangements of swimming pool and play ground
(badminton, lawn tennis, etc.) facilities. The general or economy hotels provide
economy-beds and some common services (breakfast, tea etc.) for the customers in
general. Most of the local out-of-grade hotels catering for the needs of the domestic
night stoppers do not have any facility for food and drink and, therefore, the visitors
are in real problem in finding out a good place to eat and drink\(^{22}\).

The big Chinese restaurants and other good general restaurants offer a wide
range of choices for the customers and they maintain the menu. These restaurants
serve a variety of food items ranging from 50 to 200 items\(^{23}\). The standard general
restaurants serve 20 to 25 items of food and drinks on an average for their
customers. Some standard restaurants at Dhaka and Chittagong have bar facilities.
BPC has also introduced bar facilities in most of its catering units and air-condition
facilities in some of its important units. Some fast-food restaurants operating at
Dhaka, Chittagong, Cox's Bazar and Sylhet offer many choices for their customers
and maintain the menu. But the small fast-food houses and restaurants offer a few
choices and do not maintain any menu.

\(^{21}\) Hasan, Syed Rashidul and Md. Ashraful Islam Chowdhury, "Hotel and Restaurant Services
and the Development of Tourism in Bangladesh," \textit{Dhaka University Journal of Business Studies},

\(^{22}\) Ibid, P. 175.

\(^{23}\) Ibid, P. 180.
B. Place (Channel of Collection/Distribution) Strategies: Unlike other traditional services including washing, ironing, hair dressing, legal advice and clinical aid, the channel of collection is necessary in tourism marketing. Therefore, after completing the analysis of tourism products and services and formulating the relevant strategies tailored to the needs and wants of potential tourists, the marketers need to formulate an effective marketing plan relevant to who, what, where, when, how much and other aspects of the supply side of tourism products and services. Such marketing ‘action plans’ include decisions on the channel of collection to be used to reach the tourists to the products and services.

By their very nature, services do not involve tangible products that can be directed through specific channels and about which decisions can be made in the traditional product sense. Similarly, tourism is also a service-product which is an amalgam of different components such as attractions, facilities at the destinations (like accommodations, restaurants, bars, sports, infrastructure, etc.) and accessibility to the destinations. This makes tourism a composite product which cannot be transported to the customer. Besides, the method of selling and the environment within which the purchase is made becomes part of the tourism experience. That is, production and consumption of a tourism product occur at the point of establishment and at the same time. Therefore, the choices of location for hotels, taxi service firms, holiday resorts, restaurants, cruising company offices and other channel member firms are vital marketing decisions for manipulating an easy access, ensuring an adequate flow of tourists and creating more demand. In the case of travel and tourism, customers are brought to the product rather than the product being delivered to the customers and, therefore, the tourism marketers are concerned

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here with somewhat different aspects of the distribution process. It is clear that the distribution of tourism services has got two special features. These include (a) tourists need to be present at the attraction or at the point of establishment, and (b) tourists themselves become part of both the production and the consumption processes of this composite service-product.

The nature and spread of the tourism products have necessitated a very large number of intermediaries to effectively reach the tourists to the destinations or to the point of establishments. Gilbert pointed out that tourism is characterized by fragmentation of supply, the complementarity of tourist services and the predominance of small enterprises. The channel of collection of the industry particularly includes the wholesalers like tour operators/organizers, tourist clubs, airlines, etc and the retailer like the travel agencies of both home and abroad. The marketers of this industry should maintain the channel of collection in a way which will reach the right tourists to the right services at the right time. It should also ensure the right amount of margin through customer-satisfaction from the exchange relationships of the channel members. The role of some important channel members involved in the channel of collection network of the tourism industry in Bangladesh have been discussed below:

i. Role of the BPC: BPC is the main provider of tourism services in Bangladesh. As a large number of private entrepreneurs have not yet come up to collect tourists and distribute tourism services, BPC has to perform the role in these regards. At present, BPC offers 11 different package tours, 4 different city tours in Dhaka and a few river cruise programmes. Of course, these programmes are not arranged on a regular basis. During the peak tourism season, BPC usually conducts

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such package tours and river cruise programmes. It also arranges special package
tours, city tours and river cruise programmes on request from the customers.
Besides, BPC provides accommodation opportunities and restaurant facilities in
different destinations. It is trying to expand further the areas of its operations both
horizontally and vertically.

BPC uses both the direct and the indirect channel of collection to collect the
tourists and sell its services among them. Usually, the tour operators and
occasionally the travel agents are the members of its channel of collection. But in
most of the cases, BPC’s package tours and river cruise programmes are sold
directly to the customers. In the case of the marketing accommodation facilities,
both the direct and the indirect channels are found to be used by the BPC. BPC has
established ten information centres at different important destinations from where
it provides necessary information and printed materials to the customers. Customers
can also make booking of the Corporation’s accommodations, package tours and/or
cruise programmes from any information centre. BPC does not have any branch
office in any tourist generating country to provide information, guide the tourists
and collect them from there. Bangladesh Diplomatic Missions and Biman offices
abroad are entrusted with providing information regarding tourism in Bangladesh.
Of course, BPC has business contacts with some overseas tour operators through
whom it collects groups for different package tours, river cruise programmes and
other tourism activities. These overseas tour operators are organizing and sending
tourists for the BPC and the other tour operators in Bangladesh.

BPC does not even have any separate marketing department to regulate and
control its marketing activities and, therefore, its marketing activities are done
traditionally. It also lacks in highly qualified and formally trained marketing

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30 Ministry of Civil Aviation and Tourism, “Development: Civil Aviation and Tourism,”
executives who can analyze the market skillfully and generate innovative ideas to
develop modern marketing techniques. To train the staff, the corporation mainly
depends upon the 'learning through working' principle. Of course, a few executives
have recently got foreign training under a project jointly sponsored by the ILO and
the UNDP.

BPC should re-arrange the channel of collection network and upgrade its
relationships with the channel members of both home and abroad. It should also
establish country-wise centralized reservation systems to facilitate an easy and
comfortable booking of hotel rooms, package programmes and travel tickets for the
customers. It should also arrange intensive training facilities for the staff members
and executives of the different tourism firms so that they can handle the collection
and distribution activities efficiently.

ii. Role of the Tour Operators: The tour operators are the wholesalers in the
channel of collection of the tourism industry. They serve as important intermediaries
between the suppliers of tourism and hospitality services and the end users of these
services. They are also producers in the sense that they produce new package
products on their own. Kent, Meyer and Raddam have mentioned that the tour
operators serve as packagers or middlemen between retail sales level and the direct
components of tourism. They have also confirmed the centrality of the wholesaler as
the major contact point for the sales of package tours and underscored their role in
the travel chain. From the consumer’s point of view, the package of cheap transport
and accommodation and, perhaps, some other services which make up a tour
operator’s product has made the foreign travel as desirable to the public, as available

31 Chacko, Harsha E. and Eddystone C. Nebel III, “The Group Tour Industry: An Analysis of
32 Kent, William E.; Robert A. Meyer; and Thomas M. Reddam, “Reassessing Wholesaler Marketing
and as reluctantly forgone as the basic consumer durable\textsuperscript{33}. The tour operators are providing holidays for millions at a much cheaper price than could be possible if they had to book their holiday components for themselves\textsuperscript{34}.

Generally, the tour operators package the tourism experiences to sell those directly to the tourists and through the travel agents or other approved agents. For the purpose of selling tours to the tourists, the tour operators negotiate and/or purchase different elements (transports, hotel rooms, meals and other ground level services) of tourism products on their own accounts and then combine those elements into different packages (known as tours) for specific departure dates. Thus they offer and sell the package programmes to the tourists through direct inquiries at their own offices, retail outlets which they own, approved travel agents and direct mails from the customers. Thus, they provide the retailers and the public with a wide selection of tours to a large number of destinations at varying costs for varying durations and in varying seasons\textsuperscript{35}. Moreover, A tour operator's major role is to be the intermediary who not only reduces the information and transaction costs for the travellers but also reduces promotional expenditures for suppliers\textsuperscript{36}. Therefore, the activities of the tour operators have important marketing implications for the suppliers, the retail travel agents and the travel consumers.

As per an estimation of the TOAB president, there are about 30 tour operators in Bangladesh. All these tour operators are private sector agencies. Recently, 17 such tour operators have formed an association named 'Tour Operators Association of Bangladesh (TOAB)' to carry out their activities more efficiently, press for the realization of justified rights from the BPC as well as from the


\textsuperscript{34} Ibid, P 84.


government fruitfully and promote the country’s tourism unitedly. In marketing the tourism services of Bangladesh, the wholesale tour operators are frequently involved in the channel of collection. Professional handling of inbound tourists is the principal task of all the tour operators in Bangladesh. Some big tour operators also handle outbound tours to some neighbouring countries. For the inbound tourists, they basically offer package tours and river cruise programmes of different time lengths with different ranges of services. They also sell the package of hotel rooms, entertainments, restaurant arrangements, and resort facilities on behalf of the producers and, in some cases, directly from their own. It is understood that tour operators are more dedicated to tour arrangements and marketing and they maintain or ensure reliability * and quality of services.

In most of the cases, the tour operators in Bangladesh sell their package tours and river cruise programmes directly to the customers and not through the travel agents or the retailers. The travel agents occasionally make booking of the above on behalf of their tourist customers. As the tour operators are frequently and the travel agents are less frequently involved in marketing activities, it is understood that a little or no marketing relationship exists with each other as the channel members. Sometimes, the hotels also make reservation of the tour operators’ package tours and cruise programmes.

It was mentioned earlier that BPC has business contacts with some overseas tour operators. They are organizing and sending groups for package tours, river cruise programmes and other tourism activities in Bangladesh. If the BPC and other private tour operators open branches in some important source countries to motivate and bring the potential tourists for their package tours and other tourism activities,

*Note: Here, reliability means the follow-through of the service-package deal according to commitment made while booking the tours and reasonable billing according to price quoted during that booking time.
this sector in Bangladesh will get a new life within a short span of time. While the foreign tourists are already in Bangladesh, the tour operators should handle them with keeping some important points in mind. These may include where and how to take the tourists, how to explain and project the destinations, what services to render, how friendly to behave with the guests, etc. Thus, they should try to make the tourists satisfied to such an extent that they can carry back a lot of happy memories to their countries.

iii. Role of the Airlines: The air transport is an important sub-sector which basically acts as a wholesaler in the channel of collection of the tourism industry. Biman Bangladesh Airlines is the country’s national airline which is operating as a public sector enterprise. It has now emerged as an established airline with extensive network of domestic and international routes with a manpower of 5939 and a fleet of 10 aircrafts—four DC 10s, two A 310s, two F 28s and two ATPs.

To meet the demand of the increasing traffic movements Biman has been operating to different countries around the globe. It is also operating its services to almost all the domestic destinations of the country. Some private airlines are also rendering their services for the passengers in some domestic routes and moving to and from different destinations within the country. The diagram shown in the next page illustrates the domestic route map of Biman and the private airlines and the international route map of Biman Bangladesh Airlines:

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Map-4.1

BIMAN'S INTERNATIONAL AND REGIONAL ROUTE MAP

Athens and Amsterdam offline destinations.
Ho Chi Minh City, Jakarta and Tehran are projected destinations.

Taken from DIGANTO, (January-March), 1998, P.40.
Both the domestic and the international route maps have been illustrated separately in the diagram. Biman is operating its flights to about 7 domestic and 30 international destinations within the routes shown in the diagram. From the domestic destinations shown in the map, Barisal and Ishurdi are suspended at present. Of course, it covers almost the whole geographic territory of the country.

As indicated in the diagram, Athens and Amsterdam are now off-line destinations and Ho chi Minh city, Jakarta and Tehran are projected destinations of Biman Bangladesh Airlines. Aero Bengal Airline operates its flights to and from Dhaka, Barisal, Sylhet and Chittagong. Air Parabat, under the network of its operations, connects almost all the domestic destinations of the country. GMG has already brought the destinations like Dhaka, Chittagong, Sylhet and Jessore under its route networks. It has also plans to expand its operations to more domestic destinations and to bring some international destinations under its networks. Out of the nine domestic airports, Dhaka and Chittagong are used for both the domestic and the international flights. Moreover, the government of Bangladesh has established STOL ports at some important tourist attractions including Bogra, Lalonirhat, Shamsenagar, Thakurgaon and Comilla in order to facilitate the movements of the tourists through the charter flights. The following table shows the number of domestic flights operated to and from different destinations by Biman Bangladesh Airlines:
Biman also operates a good number of flights from different overseas international airports to ZIA at Dhaka. In addition to Biman Bangladesh Airlines, 16 other international Airlines (Shown in the table no. 4.2) are operating their flights to Dhaka from other overseas international airports. Among these international airlines, the most reputed ones include British Airways, Thai Airways and Gulf Air which have already established a good route network and a wide coverage of international destinations. Besides, about sixteen other off-line foreign airlines have also established their offices in Bangladesh. The table below shows the number of weekly flights operated towards Dhaka by different airlines:
We can find from the table that Biman Bangladesh Airlines (BG) alone operates 71 flights to Dhaka from various international airports. Emirates (EK) operates 11 flights per week, and each of Gulf Air (GF) and Singapore Airlines (SQ) operates 7 flights a week, while Thai Airways (TG) operates 6 flights. The fact remains that the frequency of
flight operations by different international Airlines is gradually increasing which indicates the growing demand of the international visitors to and from Bangladesh.

The intensive worldwide competition in the air travel has led the international airlines to come forward with new and up-to-date service offers. As a result, the airlines of the tourism-developed countries have started introducing comprehensive travel and tour packages to motivate the passengers and create greater demands for their services. These tours which may include air transport, hotel accommodation and a rental car or other ground level transport are used to be offered primarily through various wholesalers. Biman also collects tourists for its package tours and river cruise programmes. Moreover, it markets half-day Dhaka city sightseeing tours and half-day river cruise programmes among the stopover passengers. The packages offered by Biman are competitive when compared with the inclusive packages offered by other countries in South and East Asia. As Biman lacks in necessary resources and ground level arrangements, it has to use the same of the BPC for all the itineraries of package tours, city tours and river cruises. To facilitate easy and prior bookings, it has established some reservation counters at Dhaka, Amsterdam, Brussels, Frankfurt, Paris, Rome and Tokyo offices. But Biman or other private airlines in Bangladesh do not have any link or tie with other private tour operators, domestic commercial hotel firms, restaurants, car rental firms, etc which can make a multiproduct-tie of the tourism industry in Bangladesh. Of course, Biman has its own hotel named ‘skyline’ at Dhaka for the stopover passengers. Even, they do not provide any limousine services to and from hotels and airport for the passengers.

Biman sells its products by using both the direct (customers – Biman offices) and the indirect (customers – travel agents – Biman offices) channels of collection. Aero-Bengal Airlines and GMG Airlines sell their tickets directly from their own offices, while Air Parabat has appointed General Sales Agents (GSA) which has again appointed sub-agents for selling its tickets. Therefore, the airlines in Bangladesh don’t use any wholesale tour operators to build a larger volume of sales or facilitate advance reservations.

Though Biman has spread its wings to almost all the territories of the country and a lot of important international destinations, its role as a channel member of the tourism industry in Bangladesh is insignificant. Pannell Kerr Forster Associates’s report addressed it as a poorly run low cost carrier catering almost exclusively to the ethnic market. It has not yet paid much attention to motivating the overseas tour operators and travel agents to act as a promoter of Bangladesh’s tourism industry. Biman does not have very good reputation among the tour operators and they perceive it as a problem carrier with poor service but competitive rates. In fact, the airlines have been suffering from shortage of modern aircrafts, ill fleet planning, irregularities of the flight schedule, delays in the operation of the flights, lack of professional executives and absence of better management. Biman does not take much care of passengers while a flight is delayed, and it also fails to provide quick baggage clearance services to the customers. Of course, the respondent sales executives have opined that painstaking elimination of the causes of flight delays has resulted in an encouraging improvement in on-time performance despite a lot of unfavourable factors. These factors include adverse weather, last moment technical delays (particularly in case of some of aging aircrafts), commercial consideration, connection delays and unforeseen/unscheduled extra check by the security or

41 Ibid, Chapter- 8, P. 15.
42 Ibid, Chapter- 8, P. 20.
customs at home and abroad. They have again mentioned that efforts are being made to improve the situation.

Biman should take immediate measures to replace the old passenger aircrafts (excepting two Airbus A-310s introduced recently) and obtain some sophisticated wide-body aircrafts. This will directly expand the number in the fleet, improve the regularities of the flight schedule, maintain in-time operation of the flights and improve all round image as a reliable carrier. These will again help ensure economy in operation, enable competitive strengths and enhance revenue substantially. Management should also ensure better fleet planning. With a view to ensure all of the above, the concerned authority should appoint or hire professional executives and improve the overall management of Biman. All the airlines in Bangladesh should emphasize the quality of services of both in-flight and ground level, efficient channel of collection networks, effective promotional measures to foster awareness and increase the country’s image among the potential customers and reasonable fares for the services provided by them. Like Biman, the private airlines operating in the domestic routes should also develop similar comprehensive guided package tours, city tours and river cruise programmes. These programmes should cover the prime destinations of the country and include standard accommodations, quality foods, restaurant arrangements, car rental facilities, ground level services, etc. Biman should also intensify its efforts and pay due emphasis on the effective marketing mix decisions to become more marketing oriented and face the present competitive air-travel environment of the world. The private airlines should also adopt the marketing oriented principles in their activities and play due role as the channel members in marketing activities of the tourism industry in Bangladesh. Such a marketing orientation of the airlines will affect all the travel industry suppliers, such as hotels, resorts, trains, car rentals, cruises and tours.44

Bangladesh is well positioned to act as a redistribution point especially for tourism towards Nepal, Bhutan, Tibet and part of India and Burma\(^{45}\). To exploit this opportunity fully Biman should upgrade its efficiency of operations, expand both domestic and international route networks, create reputation among the potential tourists towards this region and ensure the country's market share in this region. The Government of Bangladesh has already taken measures to construct Khulna airport which is supposed to facilitate an easy and rapid transport for the tourists as well as everyday passengers to the Sundarbans, Bagerhat, Mongla, Kuakata, Hironpoint, Dublar Char and other southern parts of the country. Biman is emphasizing the sincere efforts to improve its administrative, management and operational efficiency. Necessary measures are also being taken to improve Biman's reputation among the potential market, expand route-networks to meet the increasing traffic movements and ensure its overall performance. As mentioned earlier, Biman is now planning to expand its flight operations soon to three other projected destinations including Tehran, Jakarta and Ho Chi Minh city. To achieve a higher growth rate in sales, Biman is also contemplating the introduction of more off-line stations, code sharing with major carriers of the world and hiring of professionals\(^{46}\). The private airlines are also marching forward rapidly with their services within the boundaries of the country. All these are supposed to prove their worthiness in and contribution to the overall tourism marketing in Bangladesh.

iv. Role of the Travel Agencies: In most of the tourism-developed countries, the travel agencies are the most important retailers in the channel of collection of tourism industry. Generally, they use the products of tour operators, airlines and other wholesalers of tourism firms and act on behalf of them. This is the place which customer of the travel and tourism industry would normally think of visiting.

\(^{45}\) Pannell Kerr Forster Associates, Op. Cit., Chapter-12, P.9

\(^{46}\) Siddiqi, Raquib, Op. Cit.
first in order to buy travel tickets or holidays. The airlines also emphasize selling through travel agencies to reach their services to the doorsteps of the potential customers, meet the increased competition, reduce distribution costs and ensure maximum efficiency of their distribution system. Again, they occupy an important place in the distribution network of the tourism industry as they come to the final contacts with the ultimate tourist customers.

The role of the travel agencies as the retailers in the distribution channel is growing in the overall travel market place. Kent, Meyer and Reddam also stressed that the economic influence of the travel agencies is growing significantly in the overall market place. Occupying such an important position in the distribution process and in the economy as a whole, the travel agencies link contacts between the tourists customers and the wholesalers as well as producers. Thus, they provide services mainly in connection with booking of air and railway tickets and reservation of package tours, cruise programmes and reservation of hotel rooms. They are also involved in counselling the customers and supplying necessary information among the prospective tourists. Other services provided by the travel agencies may include some ancillary work like selling of travel insurance, making exchanges of foreign currencies and giving advices as to passport and Visa-extension formalities. When the destination country is unknown to the foreign tourists, they may need counselling for a wide range of matters relating to their tours such as preparing cost-effective and time-effective choices of itineraries or composition of services. It is the travel agencies who usually provide such counselling to the tourists in making the best alternative choice(s) of itineraries and service-packages. Added value from using a travel agent comes from the ‘one-stop-

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shopping’ aspect of the travel agents: the customer can inquire about several airlines and make car rental and hotel reservations during the same small call49.

For providing all these services, ‘the agency carries no inventory, other than items such as blank tickets, brochure and other promotional literatures provided free to the agency by other tourism suppliers50.’ Though the travel agencies act on behalf of both the clients and the suppliers, they receive commissions usually from the suppliers. The amount of commission varies depending upon the ability and goodwill of the carriers and also upon the efficiency and goodwill of the agencies.

As per an estimate made by one of the respondent travel agencies, there are about 235 travel agencies in Bangladesh, out of which 185 are members of the ‘Association of Travel Agencies of Bangladesh (ATAB)’. ATAB is the registered representative national association of the travel agencies in Bangladesh. Most of the travel agencies are located at the convenient places in Dhaka and a few of them are located at Chittagong and Sylhet. The travel agencies in Bangladesh require to have licences from the Registration Authority which works under the Ministry of Civil Aviation and Tourism. The same authority also controls the agencies under the Travel Agencies Registration and Control Ordinance, 1977, which says that the travel agents will involve themselves in travel arrangements only51. But the travel agencies in Bangladesh are less involved in the channel of collection of tourism industry and do a little with regard to visa extension and passport formalities, foreign exchange, counselling, etc. Even, they do not sell package tours, river cruise programmes, hotel rooms, entertainment and restaurant arrangements on behalf of the wholesalers and producers. In fact, they are involved mostly in air

50 Colman, Michael M., Tourism Marketing, Van Nostrand Reinhold, New York, 1989, P. 216
51 Jabbal, Mostafa, “Travel Agencies in Bangladesh,” Bangladesh Quarterly, Vol. 6, No. 6, Winter (December), 1986, P. 14
ticket booking and manpower exports. In selling or booking the air tickets, Biman approved and ATAB-member travel agencies use both the direct and the indirect channels. Other small travel agencies who do not have any approval from Biman, ATAB or other international airlines and who sell directly to the customers are the channel members of the approved travel agencies.

The travel agencies in Bangladesh do not have any contact with the local or the overseas tour operators and, therefore, they are not found to generate or bring any tourist for the BPC, tour operators or other service providers. In our country, neither the people feel to hire the counselling of the travel agents nor the firms are in a position to help people in planning and organizing the tour programmes. Of course, the respondent travel agencies have claimed that they occasionally inform and suggest the foreign tourists about the tourism arrangements in Bangladesh. Therefore, the travel agencies in Bangladesh donot play any significant role as a member of the channel of collection or as a promoter of tourism in Bangladesh.

Biman approved travel agencies need to fulfil a monthly sales target. To fulfil this monthly sales target given by the airlines the agencies concentrate their services on manpower export: so, instead of giving their services towards the development of tourism sector they prefer to serve as the recruiting agencies. There are some travel agencies who do not have valid licences or approval either from Biman or form the ATAB. They are operating and doing their business on behalf of other travel agencies or other airlines. The travel agencies who are bare of licences and not approved by the ATAB or the IATA or even Biman cannot hold any tickets with them. When they get orders, they serve the clients by collecting tickets from other approved travel agencies or airlines by making cash payments on their own.

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53 C & I Reporter, Op Cit
It is now essential to turn the trends of activities and change the role of the travel agencies operating in the country towards a positive direction and shape the industry in a good form. For this, it needs to bring expansion and make diversification in travel agents' activities merely from air ticketing and manpower exports to other branches of tourism activities. The travel agencies should also play necessary role to bring foreign tourists to the country. In cooperation with the foreign agencies they must plan package tour programmes in which affordable accommodation, sightseeing, visit to places of interest, river journey, safe and comfortable road transport and train service should be included. ATAB should play its due role to motivate its member agencies in handling all the tourism-related activities sincerely and effectively.

v. Role of the Hotels and Restaurants: The standard hotels in Bangladesh sell both accommodation facilities and catering services among the guest-customers. These hotels in Bangladesh use both the direct and the indirect channels to sell their bed nights. The tour operators and the travel agencies are the channel members of these hotels. In the case of the direct selling of the hotel rooms, the receptionist plays the role of a salesman and the reception/front office is the show-window in the selling process of the hotels. This reception/front office gives first impression at the arrival and last impression at the time of departure to the guests. The hotels also act as the channel members of the tour operators. Sometimes, they make reservation for the package tours and river cruise programmes to be conducted by the tour operators.

The restaurants usually sell their products directly to the ultimate consumers. Occasionally, the tour operators act as their channel members as they are found to make booking for their customers and bring the customers to the restaurants.
For the growth and development of the tourism industry in Bangladesh it is essential to adopt realistic, integrated and well-balanced approaches to all the channel members to ensure their maximum contribution to the industry. BPC, tour operators, Biman Bangladesh Airlines, travel agents and other providers should, therefore, come forward with their all out and sincere efforts. At the same time, effective marketing relationships should be developed among the channel members of both home and source countries. Better infrastructural facilities including easy transports, affordable accommodations, and standard restaurants should be developed to accelerate the activities of the channel members. Moreover, the emergence and development of electronic tools has placed less emphasis on traditional channels, introduced centralized electronic/mechanized reservation system in the distribution process and changed the distribution activities dramatically. This has also led the advancement of a more effective and cost-efficient distribution of tourism products and services in the form of hotel rooms, railway and coach tickets, airline seats, package tours, taxis, etc. Excepting Biman Bangladesh Airlines, no other channel member including BPC has yet introduced such a centralized electronic and mechanized reservation system. Other channel members of this industry should introduce such a mechanized process at their earliest convenience to make the communication and reservation activities easy and convenient.

C. Pricing Strategies: Price acts as an active and deciding factor in the choice of destinations and dominant weapon for the accomplishment of marketing objectives of the service providers. Price is a highly relevant symbol in signalling or communicating what buyers should expect in terms of product quality and value for money. Pricing strategy is an integral part of marketing mix management. The

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success, survival and sustained growth of this industry largely depend upon the formulation and adoption of pricing strategy. Therefore, the tourism industry needs to formulate and follow effective pricing strategies in its marketing activities. Though the formulation and adoption of pricing strategy are very important marketing decisions, these are very intricate issues for the industry like tourism.

I. Pricing Strategies of the BPC: Excepting the airlines and travel agents in Bangladesh, almost all other tourism firms of the industry in Bangladesh mainly follow cost-plus* pricing method in their pricing strategies. Bangladesh Parjaton Corporation is of no exception from this. Though all the methods of setting prices have got certain limitations, BPC executives think this cost-plus pricing method to be ideal and practical for setting prices of its services. Of course, BPC faces difficulties in costing the services and its measurement techniques are, in fact, erroneous. Nevertheless, BPC primarily estimates the costs of its services on the basis of assumption and experience and then adds lump-sum margins to arrive at the prices to be charged. Particularly, in the case of package tours, river cruises, rent-a-car services, catering arrangements, duty-free shops, it estimates the costs in the above ways and then adds a reasonable percentage of margins (about 10 to 25%) to fix up the prices.

Of course, the price per person for package tour and/or cruise programmes is largely affected by the group size, duration of the programme, destinations/rivers to cover, food requirements, types of transport vehicles to use and other services to render. Sometimes, BPC needs to adjust and re-fix the prices depending upon the responses from the customers and seasonality of tourism. The following table shows the tariffs of different package tours organized for a group consisting of 10-19 people by the BPC:

| *Note:* Here, prices are set on the basis of what it costs to provide the services rather than on the basis of what competitors charge, what the market is willing to pay and how much revenues to be earned by the firm(s) to reach the break-even point
### Table 4.3

**Tariffs for BPC’s Package Tour Programmes (As on January, 1998)**

<table>
<thead>
<tr>
<th>Destinations Covered</th>
<th>Duration Days-Nights</th>
<th>Service Package</th>
<th>Group Size</th>
<th>Tariff per Person (US $)</th>
</tr>
</thead>
</table>
| 1. Dhaka-Jessore-Mongla Port-Sundarbans-Dhaka | 5-4 | A. Transfer between airport and hotel on arrival and at departure; B. Dhaka City sightseeing (if time permits); C. Other transfers, meals, drinks, accommodation, guides, taxes, other recurring costs; D. Dhaka-Jessore-Dhaka air transfer. | 10-19 | DE - 785  
ST - 550  
EC - 450 |
|  |  |  | 2-9 | DE - 850  
ST - 600  
EC - 475 |
| 2. Dhaka-Chittagong-Cox’s Bazar-Moheshkhali Island-Dhaka | 5-4 | A+B+C  
D. Dhaka-Chittagong-Dhaka air transfer. | 10-19 | DE - 700  
ST - 435  
EC - 325 |
|  |  |  | 2-9 | DE - 725  
ST - 500  
EC - 400 |
| 3. Dhaka-Chittagong-Rangamati-Dhaka | 4-3 | A+B+C  
D. Dhaka-Chittagong-Dhaka air transfer. | 10-19 | DE - 700  
ST - 450  
EC - 350 |
|  |  |  | 2-9 | DE - 725  
ST - 500  
EC - 400 |
| 4. Dhaka-Srimongal-Sylhet-Dhaka | 5-4 | A+B+C  
D. Sylhet-Dhaka air transfer. | 10-19 | DE - 650  
ST - 390  
EC - 275 |
|  |  |  | 2-9 | DE - 675  
ST - 450  
EC - 300 |
| 5. Dhaka-Saidpur-Dinajpur-Paharpur-Mahasthangarh-Bogra-Dhaka | 5-4 | A+B+C  
D. Dhaka-Saidpur air transfer. | 10-19 | DE - 650  
ST - 395  
EC - 280 |
|  |  |  | 2-9 | DE - 675  
ST - 450  
EC - 325 |

**Note:** DE = Deluxe Tour, ST = Standard Tour and EC = Economy Tour

**Source:** Tour Department, Bangladesh Parjatan Corporation
It is understood from the table that the price per person for the package tour depends upon the group size, duration of the programmes, destinations covered and service package offered. It is also clear that the tariff per person in the small group size is higher than that of in a big group size. Tariffs for the Deluxe Tours are higher and for Economy Tours are lower than those of Standard Tours. Because, there are differences in the quality of services for these three categories of tour programmes.

The table below shows the tariffs of the BPC’s river cruise programmes:

### Table 4.4

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Duration</th>
<th>Destinations/Rivers Covered</th>
<th>Service Package</th>
<th>Group Size</th>
<th>Tariff per Person (US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Two full days Dhaka city sightseeing and one full day river cruise</td>
<td>3-2</td>
<td>Rivers Buriganga and Shitalakhya and Meghna estuary</td>
<td>A. Transfer between airport and hotel on arrival and at departure, B. Transfers between hotel and cruise ghat, C. Accommodation, breakfast at hotel, lunch and evening tea/coffee on board.</td>
<td>10-19</td>
<td>DE-405 ST-240 EC-175</td>
</tr>
<tr>
<td>2. One full day river cruise</td>
<td>1-0</td>
<td></td>
<td>A+B+C</td>
<td>10-19</td>
<td>DE-225 ST-135 EC-105</td>
</tr>
<tr>
<td>3. Half day (5 Hours) river cruise</td>
<td>4-0</td>
<td>Buriganga and Shitalakhya rivers</td>
<td>B. C. Morning tea/coffee with snacks, lunch and live cultural shows on board.</td>
<td>1-72</td>
<td>ST-15 (A) ST-10 (C)</td>
</tr>
</tbody>
</table>

**Note:** DE = Deluxe Cruise Programme, ST = Standard Cruise Programme, EC = Economy Cruise Programme, A = Adult and C = Child.

**Source:** Tour Department, Bangladesh Parjatan Corporation.
It can be found from the table that the price per person in a group sizing from 2 to 9 for a full day Standard Cruise programme is US $ 170. The Price per person in a bigger group consisting of 10 to 19 for the same duration and destinations and with the same service package is US $ 135. Therefore, prices of the cruise programmes also depend on the duration of the programmes, river-ways to be covered and service package to be offered.

It should be mentioned here that BPC offers special rates (called confidential rates) for package tours and river cruise programmes to the foreign tourists. These special rates are lower than the rates charged for the domestic tourists. As about 90% (as mentioned by the respondent executives) of the total capacity of BPC’s package tours and cruise programmes are sold among the domestic tourists, BPC’s pricing strategy to offer special rates to the foreign tourists is not reasonable. Rather, it should be reasonable to offer the special rates only to the domestic tourists to attract the larger market segment. BPC, at best, can also offer the same rates to both domestic and foreign tourists.

In this section, it has also been attempted to present the price structure of the BPC’s accommodation sector. The following table shows unit-wise tariffs/prices for the BPC’s hotel/motel rooms and dormitory beds. Tariffs for the BPC’s conference hall, cottages and inns are also shown in the following table:
<table>
<thead>
<tr>
<th>Place/Unit</th>
<th>Room</th>
<th>Bed</th>
<th>Tariff(Tk.)</th>
<th>Place/Unit</th>
<th>Room</th>
<th>Bed</th>
<th>Tariff(Tk.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KUAKATA</td>
<td></td>
<td></td>
<td></td>
<td>RANGAMATHI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Twin Bed</td>
<td>2</td>
<td>4</td>
<td>650.00</td>
<td>Parjatan Motel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-AC Twin Bed</td>
<td>8</td>
<td>16</td>
<td>500.00</td>
<td>Non-AC Twin Bed</td>
<td>13</td>
<td>26</td>
<td>550.00</td>
</tr>
<tr>
<td>Dormitory (per Bed)</td>
<td>1</td>
<td>30</td>
<td>150.00</td>
<td>AC Twin Bed</td>
<td>6</td>
<td>12</td>
<td>750.00</td>
</tr>
<tr>
<td>COX'S BAZAR</td>
<td></td>
<td></td>
<td></td>
<td>Auditorium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Shalib</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Twin Bed</td>
<td>2</td>
<td>4</td>
<td>1,400.00</td>
<td>Hotel Shalib</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-AC Twin Bed</td>
<td>18</td>
<td>36</td>
<td>800.00</td>
<td>Motel Upai</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motel Shukri</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Twin Bed</td>
<td>16</td>
<td>32</td>
<td>1,600.00</td>
<td>Non-AC Twin Bed</td>
<td>36</td>
<td>72</td>
<td>500.00</td>
</tr>
<tr>
<td>Economy Room</td>
<td>9</td>
<td>18</td>
<td>200.00</td>
<td>Non-AC Cottage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honeymoon Cottage</td>
<td>2</td>
<td>4</td>
<td>750.00</td>
<td>Non-AC Cottage</td>
<td>10</td>
<td>20</td>
<td>1,000.00</td>
</tr>
<tr>
<td>AC Cottage (2 Bed)</td>
<td>3</td>
<td>6</td>
<td>1,000.00</td>
<td>Motel Upai</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Cottage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-AC Cottage</td>
<td>10</td>
<td>20</td>
<td>1,000.00</td>
<td>Motel Shukri</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panthamabash/Youth Inn</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Bed</td>
<td>11</td>
<td>70</td>
<td>45.00</td>
<td>Ac Conference Hall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Room (2 Bed)</td>
<td>2</td>
<td>4</td>
<td>100.00</td>
<td>Banquet Hall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHITTAGONG</td>
<td></td>
<td></td>
<td></td>
<td>RAJSHAHI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motel Shukri</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-AC Twin Bed</td>
<td>12</td>
<td>24</td>
<td>450.00</td>
<td>Rajshahi Parjatan Motel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Twin Bed</td>
<td>6</td>
<td>12</td>
<td>650.00</td>
<td>Non-AC Twin Bed</td>
<td>9</td>
<td>18</td>
<td>450.00</td>
</tr>
<tr>
<td>TV AC Twin Bed with TV</td>
<td>8</td>
<td>16</td>
<td>750.00</td>
<td>AC Single</td>
<td>3</td>
<td>3</td>
<td>600.00</td>
</tr>
<tr>
<td>AC Mini Suite with TV</td>
<td>2</td>
<td>4</td>
<td>1,250.00</td>
<td>Non-AC Twin Bed</td>
<td>6</td>
<td>12</td>
<td>800.00</td>
</tr>
<tr>
<td>RANGPUR</td>
<td></td>
<td></td>
<td></td>
<td>BOGRA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parjatan Motel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-AC Twin Bed</td>
<td>18</td>
<td>36</td>
<td>575.00</td>
<td>Bogra Parjatan Motel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Twin Bed</td>
<td>14</td>
<td>28</td>
<td>1,050.00</td>
<td>AC Twin Bed with TV</td>
<td>6</td>
<td>12</td>
<td>650.00</td>
</tr>
<tr>
<td>VIP-AC Suite</td>
<td>2</td>
<td>4</td>
<td>1,600.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy Bed</td>
<td>7</td>
<td>14</td>
<td>60.00</td>
<td>Economy Bed</td>
<td>4</td>
<td>8</td>
<td>60.00</td>
</tr>
<tr>
<td>AC Conference Hall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st hour</td>
<td></td>
<td></td>
<td></td>
<td>Non-AC Twin Bed</td>
<td>10</td>
<td>20</td>
<td>350.00</td>
</tr>
<tr>
<td>2nd hour</td>
<td></td>
<td></td>
<td></td>
<td>AC Twin Bed with TV</td>
<td>6</td>
<td>12</td>
<td>650.00</td>
</tr>
<tr>
<td>3rd hour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be observed from the table that the tariffs of the BPC’s accommodation largely depend upon the types of accommodation, facilities provided in the accommodation, demand for accommodation and location of the accommodation. For example, the tariff for an AC-Twin bedroom in Kuakata is Tk. 650.00 only, whereas the tariff for the same category of room in Cox’s Bazar is Tk. 1600.00. Attempt have also been made to present the BPC’s meal rates. The table below shows the same for Dhaka and outside Dhaka separately:

<table>
<thead>
<tr>
<th>Type</th>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxe</td>
<td>11</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Moderate</td>
<td>7</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Economy</td>
<td>5</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: BPC’s Booklet on “Bangladesh Package Tours,” P. 32.

Type-wise rates for breakfast, lunch and dinner have been shown separately in the above table. It can be observed that BPC’s meal rates in Dhaka are higher than those of outside Dhaka. This is mainly due to the higher production costs in Dhaka than outside Dhaka. The study has further presented the tariffs of the BPC’s rent-a-car transport services. The tariffs of these services have been shown below:

<table>
<thead>
<tr>
<th>Types of Vehicles</th>
<th>No. of Seats (Including Driver)</th>
<th>Charge Per Hour</th>
<th>Charge Per Kilometre</th>
<th>Minimum Charge</th>
<th>Night Halteage Charge Per Hour (10 to 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC Car</td>
<td>5 Seater</td>
<td>85.00</td>
<td>12.00</td>
<td>450.00+10%</td>
<td>85.00</td>
</tr>
<tr>
<td>AC Pajero Jeep</td>
<td>7 Seater</td>
<td>120.00</td>
<td>22.00</td>
<td>910.00+10%</td>
<td>120.00</td>
</tr>
<tr>
<td>AC Isuzu Trooper</td>
<td>9 Seater</td>
<td>120.00</td>
<td>22.00</td>
<td>910.00+10%</td>
<td>120.00</td>
</tr>
<tr>
<td>Jeep</td>
<td>12 Seater</td>
<td>90.00</td>
<td>12.00</td>
<td>450.00+10%</td>
<td>90.00</td>
</tr>
<tr>
<td>AC Microbus</td>
<td>12 Seater</td>
<td>130.00</td>
<td>35.00(per mile)</td>
<td>925.00+10%</td>
<td>130.00</td>
</tr>
</tbody>
</table>

Source: Rent-A-Car Department, Bangladesh Parjatan Corporation.
The table reveals the fact that the tariffs of BPC’s rent-a-car services are calculated by adding the amount for the total hours as well as total night haltage hours and the amount for total kilometres/miles driven. In addition to the total amount thus derived, another 10% service charge is then added. There is also a provision of minimum charge for the tariffs of the BPC’s rent-a-car transport services.

ii. Pricing Strategies of the Tour Operators: While pricing, the tour operators also follow cost-plus pricing method. They consider some other factors such as the geographical location of the destination, seasonality, quality of the services to be rendered, etc. They also emphasize the objectives of pricing, price elasticity of the demand and nature of the market segments in pricing their services. They set the same prices for both the domestic and the foreign tourists. Almost all the tour-operating firms are found to offer promotional prices like discounts and rebates. The tour operators in the source markets operate differential pricing policies based upon the demand characteristics in their markets.57

The tour operators are small firms which cannot operate a large scale business and do not get the benefit of economies of a larger scale operation. Therefore, BPC should continue its package tour programmes, cruise programmes and taxi services as long as some larger private operators are established. The Government has no control over the prices and pricing policies of the tour operators. Yet, they operate their business more or less on a competitive basis and, hence, their prices are rational to a great extent. The following table shows the tariffs charged by the sample tour operators for some of their attractive package tour programmes:

---

Table 4.8
Tariffs for Tour Programmes Conducted by the Sample Tour Operators
(As on January, 1998)

<table>
<thead>
<tr>
<th>Tour Operator</th>
<th>Destinations Covered</th>
<th>Duration Days-Nights</th>
<th>Group Size</th>
<th>Service Package</th>
<th>Tariff Per Person for Standard Tour (US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Guide Tours Ltd.</td>
<td>Dhaka-Jessore-Mongla Port-Sundarbans-Dhaka</td>
<td>4-3</td>
<td>10-14</td>
<td>B. Ground-level transfers, meals, accommodation, drinks, guides, taxes and other recurring costs; C. Dhaka-Jessore-Dhaka air transfer.</td>
<td>255</td>
</tr>
<tr>
<td>Unique Tours and Travels</td>
<td>Dhaka-Jessore-Mongla Port-Kotka-Sundarbans-Dhaka</td>
<td>7-6</td>
<td>11-14</td>
<td>A. Transfer between airport and hotel on arrival and at departures; B. Ground-level transfers, meals, accommodation, drinks, guides, taxes and other recurring costs; C. Dhaka-Jessore-Dhaka air transfer.</td>
<td>596</td>
</tr>
<tr>
<td>Sunfine Travels International</td>
<td>Dhaka-Jessore-Mongla Port-Kotka-Khulna-Sundarbans-Dhaka</td>
<td>4-4</td>
<td>10-13</td>
<td>B+C</td>
<td>190</td>
</tr>
<tr>
<td>Journey Plus</td>
<td>Dhaka-Jessore-Mongla Port-Kotka-Sundarbans-Hironpoint Dhaka</td>
<td>4-3</td>
<td>10- above</td>
<td>B+C</td>
<td>225</td>
</tr>
</tbody>
</table>

(Table to be continued)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique</td>
<td>Dhaka-Chittagong-Cox’s Bazar-Teknaf-St. Martin’s Island-Dhaka</td>
<td>6-5</td>
<td>6-10</td>
<td>A+B</td>
<td>C</td>
<td>Dhaka-Chittagong-Dhaka air transfer.</td>
</tr>
<tr>
<td>Sunfine</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>T. Planners</td>
<td>Dhaka-Sonargaon-Mainamati-Chittagong-Bandarban-Cox’s Bazar-Dhaka</td>
<td>7-6</td>
<td>10-15</td>
<td>A+B</td>
<td>C</td>
<td>Chittagong-Dhaka air transfer;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>D</td>
<td>E</td>
<td>Half-day Dhaka city Sightseeing;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Half-day Chittagong sightseeing.</td>
</tr>
<tr>
<td>Unique</td>
<td>Dhaka-Chittagong-Rangamati-Dhaka</td>
<td>3-2</td>
<td>10-14</td>
<td>B+C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunfine</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>T. Planners</td>
<td>Dhaka-Chittagong-Rangamati-Dhaka</td>
<td>3-2</td>
<td>10-15</td>
<td>A+B</td>
<td>C</td>
<td>Dhaka-Chittagong-Dhaka air transfer;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Half-day Chittagong sightseeing.</td>
</tr>
</tbody>
</table>

(Table to be continued)
<table>
<thead>
<tr>
<th>Guide</th>
<th>Itinerary</th>
<th>Days</th>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guide</td>
<td>Dhaka-Srimongal-Sylhet-Tamabil-Jaflong-Dhaka</td>
<td>4-3</td>
<td>10-14</td>
<td>215</td>
</tr>
<tr>
<td>Unique</td>
<td>Dhaka-Srimongal-Madhabpur-Dhaka</td>
<td>3-2</td>
<td>10-14</td>
<td>NA</td>
</tr>
<tr>
<td>J. Plus</td>
<td>Dhaka-Sylhet-Jaflong-Madhabkundo-Horipur-Dhaka</td>
<td>4-3</td>
<td>10-15</td>
<td>225</td>
</tr>
<tr>
<td>T. Planners</td>
<td>Dhaka-Sylhet-Jaintia-Madhabkundo-Dhaka</td>
<td>5-4</td>
<td>10-15</td>
<td>330</td>
</tr>
<tr>
<td>Guide</td>
<td>Dhaka-Saidpur-Dinajpur-Rangpur-Paharpur-Bogra-Mahasthangar-Dhaka</td>
<td>3-2</td>
<td>10-14</td>
<td>205</td>
</tr>
<tr>
<td>Unique</td>
<td>Dhaka-Rajshahi-Puthia-Paharpur-Bogra-Mahasthangar-Dhaka</td>
<td>3-2</td>
<td>10-14</td>
<td>220</td>
</tr>
<tr>
<td>T. Planners</td>
<td>Dhaka-Mahasthangar-Paharpur-Dinajpur-Dhaka</td>
<td>6-5</td>
<td>10-15</td>
<td>370</td>
</tr>
</tbody>
</table>

NA = Not Available.

Source: Folders and other published materials supplied by the sample tour operators.
The table shows the prices for the different package tour programmes destined at different destinations in Bangladesh and conducted by the sample tour operators. It shows the prices of the sample tour operators for a person in a standard group consisting of 10 to 15 persons. It can be observed that the tariffs per person charged by the sample tour operators for their package tours are comparatively lower than the tariffs charged by the BPC. The private tour operators charge lower tariffs also for their cruise programmes with a view to making their tariffs competitive with those of the BPC. The following table presents the tariffs charged by the private sector tour operators for their river cruise programmes:
<table>
<thead>
<tr>
<th>Tour Operator</th>
<th>Programmes</th>
<th>Duration Days-Nights</th>
<th>Destinations/Rivers Covered</th>
<th>Service Package</th>
<th>Group Size</th>
<th>Tariff for Standard Cruise Programme (US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Guide Tours Ltd.</td>
<td>1. Full day river cruise</td>
<td>1-0</td>
<td>Shitalakhya River</td>
<td>A. Transfer between hotel and cruise ghat; B. Light breakfast with tea/coffee, lunch &amp; evening tea/coffee.</td>
<td>15-above</td>
<td>25(Adult) 15(Child)</td>
</tr>
<tr>
<td></td>
<td>2. Half day sightseeing &amp; half day river cruise</td>
<td>1-0</td>
<td>Dhaka city &amp; Shitalakhya river</td>
<td>A+B</td>
<td>10-above</td>
<td>30(Adult) 15(Child)</td>
</tr>
<tr>
<td>Unique Tours and Travels</td>
<td>1. Half day sightseeing &amp; half day river cruise</td>
<td>1-0</td>
<td>Dhaka city &amp; Buriganga river.</td>
<td>A+B</td>
<td>10-above</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>2. Half day sightseeing &amp; half day river cruise</td>
<td>1-0</td>
<td>Sonargaon &amp; Meghna river.</td>
<td>A+B</td>
<td>10-above</td>
<td>30</td>
</tr>
<tr>
<td>J. Plus</td>
<td>1. Day long river cruise</td>
<td>1-0</td>
<td>Buriganga &amp; Meghna river</td>
<td>A+B</td>
<td>10-above</td>
<td>25(Adult) 15(Child)</td>
</tr>
<tr>
<td></td>
<td>2. Half day sightseeing &amp; half day river cruise</td>
<td>1-0</td>
<td>Dhaka city &amp; Buriganga plus Meghna rivers.</td>
<td>A+B</td>
<td>10-above</td>
<td>30(Adult) 20(Child)</td>
</tr>
<tr>
<td>Tour Planners</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Sunfine Travels</td>
<td>Full day river cruise with picnic excursion</td>
<td>1-0</td>
<td>Buriganga Daleswari, Kaliganga &amp; Isamati rivers.</td>
<td>A+B</td>
<td>8-10</td>
<td>20(Adult) 12(Child)</td>
</tr>
</tbody>
</table>

**Note:** NA = Not Available

**Source:** Folders and different published materials supplied by the sample tour operators.
It is clear from the statistics shown previously and also the statistics shown in the above table that the tariffs per person for river cruise programmes of the private sector tour operators are comparatively much lower than those of the BPC. They charge comparatively lower prices with a view to making those competitive with the BPC’s prices.

iii. Pricing Strategies of the Airlines: Biman Bangladesh Airlines sets its prices on the basis of going rate pricing method. Prices/fares of international flights are largely affected by the IATA regulations. The following table shows the fares for some important international routes of Biman Bangladesh Airlines:

<table>
<thead>
<tr>
<th>Destination from (J-Class)</th>
<th>Destination to (Executive)</th>
<th>J-Class (Executive)</th>
<th>Y-Class (Economy)</th>
<th>K-Class (SIP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York (NYC)</td>
<td>Dhaka</td>
<td>1581</td>
<td>1437</td>
<td>790</td>
</tr>
<tr>
<td>London (LON)</td>
<td>Dhaka</td>
<td>1326</td>
<td>1205</td>
<td>609</td>
</tr>
<tr>
<td>Rome (ROM)</td>
<td>Dhaka</td>
<td>1128</td>
<td>1025</td>
<td>584</td>
</tr>
<tr>
<td>Riyadh (RUH)</td>
<td>Dhaka</td>
<td>623</td>
<td>566</td>
<td>450</td>
</tr>
<tr>
<td>Jeddah (JED)</td>
<td>Dhaka</td>
<td>733</td>
<td>667</td>
<td>550</td>
</tr>
<tr>
<td>Dubai (DXB)</td>
<td>Dhaka</td>
<td>532</td>
<td>484</td>
<td>315</td>
</tr>
<tr>
<td>Tokyo (TYO)</td>
<td>Dhaka</td>
<td>923</td>
<td>839</td>
<td>685</td>
</tr>
<tr>
<td>Bangkok (BKK)</td>
<td>Dhaka</td>
<td>334</td>
<td>304</td>
<td>264</td>
</tr>
<tr>
<td>Singapore (SIN)</td>
<td>Dhaka</td>
<td>598</td>
<td>544</td>
<td>290</td>
</tr>
<tr>
<td>Delhi (DEL)</td>
<td>Dhaka</td>
<td>250</td>
<td>215</td>
<td>NA</td>
</tr>
<tr>
<td>Calcutta (CCU)</td>
<td>Dhaka</td>
<td>85</td>
<td>66</td>
<td>NA</td>
</tr>
<tr>
<td>Kathmandu(KTM)</td>
<td>Dhaka</td>
<td>135</td>
<td>107</td>
<td>NA</td>
</tr>
<tr>
<td>Karachi (KHI)</td>
<td>Dhaka</td>
<td>285</td>
<td>260</td>
<td>240</td>
</tr>
</tbody>
</table>

Note: SIP = Special Incentive Price.
Source: Sales Counter, Motijheel, Biman Bangladesh Airlines.

It should be mentioned here that the international airlines are supposed to charge fares fixed by the IATA. But in reality, they are not found to follow those
fares. Almost all the airlines operating internationally set/charge fares which are much lower than the fares fixed by the IATA. Therefore, Biman has to charge similar prices/fares with a view to competing with other international airlines. The actual prices charged by Biman in practice is known as Special Incentive Price (SIP) which are shown in the last column of the table. Therefore, the fares/prices charged by Biman are similar to those going on internationally. While Biman has to follow the IATA regulations (i.e., the going rates method) in setting prices for the international flights, it follows cost-plus pricing policy in determining the fares of domestic flights. The following table shows the fares for different domestic routes of Biman Bangladesh Airlines:

<table>
<thead>
<tr>
<th>Destination from</th>
<th>Destination to</th>
<th>One way Fare (In TK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhaka</td>
<td>Chittagong</td>
<td>1450.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Cox's Bazar</td>
<td>1950.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Sylhet</td>
<td>1250.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Rajshahi</td>
<td>1050.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Saidpur</td>
<td>1250.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Ishurdi *</td>
<td>–</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Jessore</td>
<td>1000.00</td>
</tr>
<tr>
<td>Dhaka</td>
<td>Barisal *</td>
<td>–</td>
</tr>
</tbody>
</table>

* Suspended.

Source: Sales counter, Motijheel, Biman Bangladesh Airlines.

The fares for the domestic routes/destinations of Biman Bangladesh Airlines are very cheap. Biman is running its domestic operations at the prices lower than the operating costs. Therefore, Biman fails to earn any profit from its domestic
operations. Moreover, the fares for different domestic routes of Biman Bangladesh Airlines are much lower than those of the private airlines in Bangladesh.

For the itineraries of the package tours and the river cruises offered by Biman, it fixes up the total prices altogether which include the return air fares, the travel agency's commissions, meal charges, tour/cruise charges, accommodation rents, ground level transport fares and guide fees.

The Airlines Association of South Asia (AASA) which represents the national carriers of the seven member SAARC countries including Bangladesh, Nepal, Bhutan, Sri Lanka, India, Maldives and Pakistan is combining intra-regional fares with long haul fares to promote tourism in this region. Discounts of 20 percent are offered on international travel within the region and 30 percent discounts for groups, for a minimum stay of seven days and an itinerary that includes no less than three countries.\(^5^8\)

The role of the marketing department in fixing discounts and other offers is rather insignificant and the finance department plays a major role in this regard.\(^5^9\) While fixing prices and deciding other price related offers, Biman always emphasizes the price-sensitivity of the potential customers and the value of money to be spent by them. Ethnic groups and other pleasure travellers are usually price sensitive and there is a growing price-awareness of the good value of the money to be spent by them. It is claimed by the sales executives that Biman tries to keep the operational costs at a lower level without deteriorating services and facilities and thus sets an optimum price to represent the good value for the money of the passengers.

\(^5^8\) Ibid, Chapter-5, P. 4.
iv. Pricing Strategies of the Travel Agencies: The travel agencies charge prices within the set guidelines and standard practices followed worldwide. That is, the travel agencies have to follow the going rate pricing policy. Biman approved and ATAB-member travel agencies in Bangladesh usually get about 9% commission for the sale of its tickets. It is mentioned earlier that the travel agencies act on behalf of both the clients and the suppliers, but they receive commission from the suppliers. The amount of the commission varies depending upon the ability, performance and goodwill of both the travel agents and the suppliers.

v. Pricing Strategies of the Hotels and Restaurants: The pricing strategy of the hotels is more or less aimed at ensuring the highest level of occupancy rate, developing this industry in an orderly fashion and maintaining the industry to supply quality but affordable services. Though there is a small difference in the price level of the different similar categories of the economy hotels, there is an intense competition among these hotels. Therefore, these hotels have to fix prices which are nearer to competitors’ prices. Thus, the prices of the economy hotels are kept at optimum levels for the firms and reasonable levels for the guests. Of course, a good percentage of the respondent tourists consider the prices of the star hotels and BPC’s standard hotels/motels as high.

Both the BPC’s accommodations and the private sector hotels depend on the going-rate pricing method while setting prices. Deluxe, first class and other economy hotels emphasize the providing of the promotional prices to improve their occupancy rates. Sometimes, BPC also offers the holiday makers 20 to 30% discounts for its accommodations during the off-season. But the star hotels cannot afford the promotional pricing as their occupancy rates, revenue and operational profits are not at satisfactory levels. They cannot also increase the price levels due to low demand pressure.
Most of the standard Chinese restaurants and some of the standard general restaurants in Bangladesh fix prices earlier and maintain a set menu for the customers. They also follow the cost-based pricing method. The following table shows the tariffs and the meal rates of some star and standard hotels at some of the major destination areas in Bangladesh:

<table>
<thead>
<tr>
<th>Destinations and Hotels</th>
<th>Room Rates (US $)</th>
<th>Meal Rates (US $)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
<td>Double</td>
</tr>
<tr>
<td><strong>DHAKA:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Sonargaon (Star)</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Sheraton Hotel (Star)</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Hotel Purbani (Star)</td>
<td>75</td>
<td>85</td>
</tr>
<tr>
<td>Hotel Isha Khan</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>Hotel White House</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Hotel Ashrafie</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td><strong>CHITTAGONG:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Agrabad (Star)</td>
<td>130</td>
<td>140</td>
</tr>
<tr>
<td>Hotel Saint Martin</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>Hotel Meridain</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Hotel Golden Inn</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td><strong>COX’S BAZAR:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sayeman</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td><strong>SYLHET:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel Hill Town</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Hotel Palash</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>KHULNA:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Hotel</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Hotel Park (non-AC)</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

**Source:** Tour Planners, Dhaka

It should be mentioned that group rates are also available on request. It can be observed from the table that the tariffs as well as the meal rates of the star hotels are
much higher than those of the standard hotels in Bangladesh. However, the above prices of meals are more or less reasonable than the prices of rooms/beds.

Being the nature of tourism product a composite one, the pricing of this product has become a very complex matter for the marketers of this industry. Dolan emphasized that pricing is the manager's biggest marketing headache. The manager of the tourism firm should follow an effective method of pricing, emphasize the reasonable prices for the services and try to attract more tourists through their pricing strategies. But it should be remembered that each method of setting prices has got some limitations of its own. For an industry like tourism, cost-plus pricing method has also some limitations and difficulties in calculating the exact costs of the products and services. The study has found that the firms which follow cost-plus pricing method donot maintain and follow any scientific cost accounting system to ascertain the exact costs of their services. They simply estimate the costs on the basis of assumption and add lump-sum margins to reach the prices to be charged. The findings of the study also include the fact that all the tourism firms in Bangladesh fix up their prices in the context of our country and do not consider the prices prevailing in the neighbouring countries. This is also a limitation in the context of the pricing strategies of the tourism industry in Bangladesh.

Pricing is directly related to other decision areas of marketing mix elements including product/service, place and promotion which the firm/industry needs to

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Note: For example, target profit pricing (Break-even analysis) method may not fulfil profit target when sales target is not achieved. If the firms of this industry fix up their prices keeping pace with competitors' prices, then this price may or may not provide assurance of covering costs of the products and/or services. Similarly, demand-oriented price also does not provide any guarantee to covering the costs.

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manage carefully. Therefore, the pricing decisions of this industry must be made in the context of other three elements of marketing mix also. The industry should also give equal importance to the marketing initiatives of the competitors. More importantly, the marketers of tourism industry must consider those important factors which influence the firms’ marketing performance. These factors may include seasonality, competitive conditions, company objectives, nature of the market, etc. Production costs, quality and distinctiveness of the services, channel of collection network, margins and commissions of the channel members, promotional measures, promotion costs and other factors firms think relevant should also be considered in this regard. Besides, the tariffs of the hotel rooms and the meal rates of the catering units should be kept quoted at the sales point or reception of the firms.

However, from the analysis made in this section on the pricing strategies of the tourism industry, it is understood that Bangladesh is not an expensive tourist destination. A good percentage of the tourist respondents also view that the prices of the different tourism components in Bangladesh are quite reasonable.

D. Promotion Strategies: A marketing plan includes promotion techniques which basically intend to inform and persuade the potential customers or trade intermediaries to make a specific purchase or act in a certain manner. It includes the action plan which again includes decisions regarding promotional tools, messages, appeals, images, formats and media to be used and the amount to be spent for the promotional activities.

Generally, consumers like to know in advance what they are buying – what the product features are and what the service will do for them. Similarly, potential

tourists need to properly know about the attractions, services, facilities, etc at the destinations and the accessibility to the destinations through various forms of promotional measures. Consumers of the tourism industry appear to face particularly uncertain and risky purchase situations. Besides, once a tourist begins a tour or starts consuming tourism products/services, he or she cannot stop or modify consumption or store those products/services for future. Moreover, some diversified, unpredictable and unstable factors such as seasonal, political, social, economic, etc may influence and interrupt the level of satisfaction of the tourists. As a consequence, the risk and uncertainty for the tourist are higher and his/her need for reliable pre-purchase information is stronger. In such situations, the executives responsible for formulating promotion strategies should try to provide necessary information regarding their tourism arrangements through various promotion activities and thus reduce the risk and uncertainty of the tourists. On the other hand, the supply of air seats, other transport vehicles, hotel rooms, restaurants, holiday resorts etc may be excess in some cases. If so, the industry will also be operating with risk due to perishability of its products and services. The high risk nature of this industry brought about by excess capacity directs planning into short-run sales campaigns. These also make it necessary to effectively motivate the potential tourists to visit the destinations, persuade them to stay a longer period at a certain destination and consume more tourism products and/or services. As services are more difficult to evaluate than goods and that, as a consequence, consumers may be forced to rely on different cues and processes when evaluating services. Promotional activities play vital role in presenting these cues and processes to the tourists, helping them to evaluate tourism products and services and making the right purchase decisions. In view of the marketers, these activities help them achieve an


Gilbert, D. C., (Undated), Op. Cit., P. 161

optimum return from the promotional expenses and the capital invested. Tourism industry has to direct various forms of promotion at large number of people in different countries having heterogeneous socio-economic and cultural backgrounds, diversified needs and expectations, various consumption patterns and different leisure-spending behaviours. Marketers can use any one or more of the alternative possibilities from advertising, publicity, personal selling and sales promotion. The following are the promotion strategies of the sample tourism firms:

1. Promotion Strategies of the BPC: BPC is the National Tourism Organization which is entrusted with the promotion and development of the tourism industry in Bangladesh. BPC uses all the traditional techniques to promote Bangladesh as a tourist destination. For the purpose of disseminating information regarding tourism arrangements in Bangladesh and promoting the same among the prospective markets BPC publishes and distributes souvenirs, brochures, booklets, guides (tourist guides, accommodation guides, Dhaka city guides etc), hand books, pamphlets, leaflets etc. A wide range of attraction based folders is also published by the Corporation. A special brochure on package tours and its tariffs is also published by the Corporation. These information materials are distributed free of costs to the potential markets through Bangladesh mission offices, tour operators, travel agencies and airline offices in both home and abroad. In addition to the above free literatures, some priced materials like tourist maps, view cards and picture post cards are also available in the above offices for purchase at a nominal price.

The producers of the typical products and services are not usually found to use printed sales literatures to the extent that tourism firms use. But the use of printed materials is a unique and distinguishing feature of the promotion activities of tourism firms and, therefore, they need to spend a major portion of their promotion budget for the production and distribution of these printed sales literatures/materials. The role of printed sales literatures is multi-faceted. It carries key messages in the
form of demonstration by pictures, promise in words for need fulfillment, projection of the image through symbols, stimulation of demand, display of materials in the distribution outlets and offer for special incentives. These information materials also act as forms of advertising and sales promotion and as media of advertising. Moreover, BPC’s documentary video films covering the important tourist-spots is shown through Bangladesh mission offices and the film clubs in the important tourist generating countries. Bangladesh mission offices abroad usually arrange these audio-visual presentations, especially during the tourist season, for the potential tourists. Besides, Bangladesh’s tourism has now-a-days started receiving cable TV highlights and press coverage in a limited scale. BPC also publishes features on Bangladesh tourism in different professional travel magazines and journals.

BPC emphasizes advertisements and publicity in local newspapers and magazines. It makes some specific advertisements in those printed media for motivating the local tourists, domestic resident foreigners and visiting foreign tourists to visit certain places and avail themselves of some specific offers. It also distributes printed materials mentioned earlier among the domestic resident foreigners, visiting foreign tourists and the potential local tourists. People interested in visiting any destination may also collect some priced items at nominal prices. These include view cards, posters and tourist maps from the offices and information counters of the BPC. Moreover, BPC observes ‘Tourism Month’ every year to create awareness among those market segments. BPC also arranges cultural night shows, food festivals, dress-as-you-like competitions, seminars, symposiums, audio-visual presentations, etc during the tourism month. All these help the potential tourists get ideas about the attractions (sea beaches, mangrove forests, monuments, historical places, man-made gardens, zoo, museums, monuments, etc.), facilities (accommodations, eating places, restaurants, bars, etc.), accessibility (road, rail and...
An effective advertisement published through the right medium is the primary weapon to make the prospective visitors aware and give them positive impressions about the destinations. Tourist-customers are more likely to respond to the creative advertising messages projected through specialized and appropriate media vehicles. These media may include special interest magazines, specialized journals, newspapers, cable TV channels, tourist guides and stations which are more likely to communicate the necessary messages to the prime market segments. Therefore, in the case of advertisement, the tourism marketers need to select some cost-effective media from the above to maximize their impacts and ensure better results in the delivery of exposures to the target audience. As the extent of success in appealing to a particular market segment or encouraging them to visit the destination(s) depend upon the right choice of advertising media, the choice of right media is an important decision for the marketers of the tourism industry. But the choice of media is, sometimes, affected by the costs as these media incur the largest portion of promotion costs. Here, the organization’s size does have some bearing because it affects the funds available for promotion and hence the choice of
methods. Of course, it should be remembered that though international TV channels and specialized magazines are expensive media, these have proved to be highly effective for the promotion of the tourist destinations. It is also important to check and review the appropriateness of the media used over time and take corrective measures, if necessary.

BPC utilizes the country's heritages and emphasizes the natural beauties in its promotion activities to achieve better results and ensure success. As a promoter of country's tourism, BPC also emphasizes the creation of an identifiable image of the country as a tourist destination. Its accommodation sector, rent-a-car services and hospitality units emphasize the creation of the country's image through satisfying their tourist customers. Moreover, BPC highlights individual services through special brochures, leaflets and folders. For this, BPC trains its contact personnel and employs trained people to ensure better interactions with the tourists.

Within marketing promotion mix elements, publicity appears to be a less used form of promotional measures of the BPC. Newspaper articles and stories describing the potentials of tourism and photographs highlighting the attractions are published in different domestic newspapers and magazines in Bangladesh. Bangladesh television also highlights tourism potentials of the country through its programmes. BPC also participates in international tourism exhibitions. For example, it participates in the ITB (held at Berlin) which is the largest tourism exhibition in the World. Bangladesh gets newspaper coverage there depicting the country as an attractive tourist destination. Such exhibitions also help Bangladesh generate interest among the potential visitors. BPC can sell attractive package tours to the international tour operators and a large number of individual visitors in the fair. Some selected overseas tour operators and travel agents with whom BPC has

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business contacts do a limited publicity of the tourism arrangements in Bangladesh. They provide necessary information regarding Bangladesh’s tourism among the potential tourists and motivate them to visit the country. One successful method of publicity is to arrange a special promotion by inviting groups of people such as news media writers, photographers or member of the travel trade. The Corporation also emphasizes this type of publicity. Moreover, Cable televisions occasionally telecast tourism-related information, exposes visual scenery and show some specific spots of Bangladesh free of costs.

Like other tourism firms in Bangladesh, BPC also uses sales promotion techniques to motivate the potential tourists. It offers quantity discounts, child discounts, off-season price rebates, free information materials and improved service package for its package tours, cruise programmes and accommodations. BPC usually offers special price reductions ranging from 15 to 30% during the service week observed by it and also in the off-season. Extra services, improved services and improved food are also offered to the customers during this service week. Besides, BPC offers live music programmes with the renowned local artists in the cruise boats. This tourism service week accompanied by sales promotion techniques in the form of reduced price and service-offers help generate interest among the local people and foreign citizens residing in the country. Through these sales promotion techniques, BPC also tries to create quick responses in the potential tourists, especially in those who want to avoid the in-season tourist rush.

Personal selling, as an element of promotion mix, has important role to make the prospective tourists aware of the tourism products and services and persuade them to visit the country. This sort of selling may be used by non-profit making

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museums as well as by the conference manager of a large hotel\textsuperscript{68}. In tourism marketing, personal selling may also happen through telephone inquiries. For example, a sales manager or a telephone receptionist may inquire the participants of an international seminar over telephone about the possibility of a trip to a destination or the need for accommodation. The officials of Bangladesh missions abroad, Biman’s overseas branches and the overseas tour operators as well as the travel agents have significant role to invite and motivate the potential foreign tourists to visit Bangladesh. BPC maintains contacts with some selected tour operators and travel agents in some important source countries. Sometimes, it organizes complimentary tours for the selected foreign tour operators to familiarize them with the tourism installations and facilities in Bangladesh. For example, BPC conducted such a familiarization tour for 23 foreign tour operators of some important source countries during 1994. They were provided with the return air tickets, accommodation facilities, food, etc and were taken to different destinations at the costs of the Corporation. The Corporation has also plans to conduct more familiarization tours in near future. Those approved tour operators along with the few travel agents in the source countries present Bangladesh as a tourist destination to the prospective tourists, motivate them to visit the country and sell package tours as well as cruise programmes to them in advance. Thus they act as both personal selling and publicity for the tourism industry in Bangladesh.

It is already mentioned that BPC cannot afford much for its promotion activities. The following table shows the marketing promotion budgets and actual promotion expenditures of the BPC:

\textsuperscript{68} Cooper, Chris; John Fletcher; David Gilbert and Stephen Wanhill, Op. Cit., P.260.
Table-4.13  
Marketing Promotion Budgets and Actual Promotion Expenditures of the BPC

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Budgets (Tk. in lacs)</th>
<th>Actual Expenditures (Tk. in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>1991-92</td>
<td>58.00</td>
<td>29.65</td>
</tr>
<tr>
<td>1992-93</td>
<td>66.00</td>
<td>53.63</td>
</tr>
<tr>
<td>1993-94</td>
<td>95.00</td>
<td>80.65</td>
</tr>
<tr>
<td>1994-95</td>
<td>155.00</td>
<td>71.43</td>
</tr>
<tr>
<td>1995-96</td>
<td>174.85</td>
<td>79.35</td>
</tr>
<tr>
<td>1996-97</td>
<td>115.00</td>
<td>103.91</td>
</tr>
<tr>
<td>1997-98</td>
<td>120.00</td>
<td>NA</td>
</tr>
</tbody>
</table>

NA= Not Available  
Source: Accounts Department, Bangladesh Parjatan Corporation.

BPC sets its promotion budgets on the basis of what it can afford. It now allocates and spends more than one crore taka for its marketing promotion activities. This amount is not sufficient to promote the prospective market world-wide. Moreover, it is understood that the significant portion of the promotion budget of the BPC is spent or misused for publishing unnecessary advertisements regularly in some domestic periodicals and magazines which are existing merely in name and whose circulation is very limited. Sometimes, the total circulation of those periodicals and magazines are even less than 250 copies whose messages even never reach the prospective tourists. Hasan mentioned, "we feel that the present promotional strategy of the BPC is neither appropriate nor satisfactory. It is not appropriate because, without identifying the target market aimless promotion will involve expenditure only with no results. It is not satisfactory because the folders, posters, etc are not well distributed and published."  

{69} Hasan, Syed Rashidul, Op Cit, P. 107
Indian Department of Tourism has established 18 overseas branches70 which have been given the responsibility of disseminating tourism information and distributing published materials among the prospective tourists and thus motivating them to visit India. Bangladesh tourism firms, especially, BPC and the tour operators should also establish overseas branches which could also perform the same responsibilities. Of course, BPC has established tourist information centres at the head office premise and some other destination areas for providing information and distributing published materials to the customers.

Usually, the public sector tourism organizations perform the responsibility of promoting the tourist attractions and nation’s image to the source countries. BPC is the country’s National Tourism Organization that is operating as a public sector enterprise and, therefore, seems to be responsible for the dismal performance of the promotion activities. It is now necessary to supplement this responsibility by other public and private sector organizations such as diplomatic missions, tour operators, airlines, travel agents and hoteliers in both home and abroad.

With the present state of attractions, services, facilities and accessibility, the promotion activities of the industry are now mainly restricted to some prospective countries of the South Asia, the resident foreigners in the country and the domestic affluent people. With the expansion of the base of services and facilities, improvement of existing products, development of new products and upgradation of the infrastructure – the industry plans to direct its promotion activities at other new markets. These include North America, Europe, Australia, Newzealand and Japan depending upon the potentials of the source markets and the extent to which the industry can serve the markets.

ii. Promotion Strategies of the Tour Operators: As the individual providers of tourism services, all the tour operators surveyed undertake and launch promotional efforts in marketing their package tours and cruise programmes. Among the tour operators interviewed, The Guide Tours Ltd. and Unique Tours and Travels publish brochures and booklets regularly to effectively disseminate messages about their activities as well as tourism arrangements in the destinations and motivate the prospective tourists to visit those destinations. These two tour operators publish small folders too in Bangla, English and Japanese languages. Other tour operators also publish folders and leaflets either in local or in English or in both local and English languages. The tour operators in Bangladesh also use to advertise in daily newspapers, magazines and souvenirs for motivating the local people, resident foreigners and visiting foreign tourists (who are already in BD). In these advertisements, they usually emphasize and highlight the service quality to increase the firms’ goodwill and country’s image. The private tour operators also participate in international tourism exhibitions where they get newspaper coverage and can sell package tours to the tour operators and individual visitors.

The tour operators in Bangladesh, sometimes, make some specific attempts to motivate the visiting tourists to act as a personal source of information for their nearest and dearest people. As these tour operators are too small organizations, they cannot launch advertising campaigns to motivate the potential tourists residing scatteredly throughout the world. Even they are not in a position to publish a large number of printed materials for mass distribution among the potential tourists. Therefore, they have to emphasize to motivate their present customers to act as a personal source of information for their friends, relatives, colleagues and neighbours and persuade them to visit Bangladesh.

A satisfied tourist explains his experiences and passes on the good news of the destination-country to other potential tourists. It is well known that whilst good
news travels fast, bad news travels faster, thus it is essential that product
development is given prior attention before marketing. The benefit of a satisfied
customer suggesting your product/service to another potential customer cannot be
overemphasized. This ‘hidden sales force’ costs a company nothing, yet it is the
most effective of all communication modes. Thus the prominence of Word-of-
mouth (WOM) in general and for services in particular has received renewed
attention and interest.

The tour operators in Bangladesh also use sales promotion techniques like off-
season discounts, free sales literatures, live music (on the cruise boat), disguised
price-cuts, prize draws, additional service offers and group tour discounts for their
package tours and river cruise programmes. During the periods of short-falls in
demand and off-seasons, most of the tourism firms use one or more suitable sales
promotion method(s) which promptly stimulate the tourists especially and help
those firms in making short-run demand adjustments particularly. Thus, the above
mentioned sales promotion techniques act as temporary weapon in motivating the
tourists to move from their present state of travel purchase decision (awareness,
interest or desire) to the ultimate stage of readiness-to-travel to the destination.

Note: Word-of-mouth (WOM) publicity of the satisfied tourists proves to be very fruitful to
the tourists in creating greater confidence among them, reducing prospective
customers’ uncertainty, giving approximately direct experience with the tourism
products/services, and thus persuading them to visit the destination - as they are
getting the information from the known individual(s) having immediate experience. Of
course, the success of WOM publicity depends particularly upon the ability and
spontaneousness of the endorsers and spokes person. That is, if the endorser-tourist
can and is willing to present the positive aspects of the attractions, facilities, services
and accessibility of the destination properly to influence the prospective tourists,
whom stimulation might be an effective publicity approach for the tourism industry.

71 Moss, Peter de Vere, “Integrated Resource Development of the Sundarbans Reserved Forest:
Bangladesh,” Field Document 1, Prepared for the Government of the People’s Republic of
Bangladesh, Sponsored by the FAO/UNDP, 1994, P. 36.
73 Midgley, David F., “Patterns of Interpersonal Information Seeking for the Purchase of a
In the case of overseas tour operators, “very few of them feature Bangladesh as a main or secondary destination within their brochures. Burma, India and Nepal are frequently featured and these are often accessible by direct or non-stop flights from the source markets”74. Hasan also mentioned that it is obviously understood that the intermediaries in the target markets have little (or negative) information about Bangladesh75. Therefore, they do not and cannot play an important role as the promoter of Bangladesh’s tourism. Of course, BPC sends its printed promotion materials to a few renowned overseas tour operators with whom BPC has business contacts. Only these tour operators are seemed to distribute those materials among the potential tourists there.

iii. Promotion Strategies of the Airlines: Biman, as the nationalized airlines of Bangladesh, has got the responsibility of promoting Bangladesh’s tourism among the potential markets abroad. In its promotion activities, Biman mainly uses advertising as a promotion tool and its advertisements are directed through newspapers, magazines and signboards of both home and destination countries. But Biman cannot afford to advertise through cable TV like CNN, BBC, ATN, etc, world class newspapers and magazines due to inadequacy of funds. Even, the management does not go for any commercial in television abroad because they cannot afford it76. Biman also publishes an effective in-flight magazine (quarterly) named ‘DIGANTO’ for creating greater awareness among the passengers regarding its services as well as introducing Bangladesh as a land of tourist dreams. This in-flight magazine aims at focusing on its domestic and international flight route-maps, in-flight and ground level services, commitments to customer-satisfactions, cultures and traditions of Bangladesh and addresses of Biman’s overseas offices. Besides, every issue of the magazine contains information for the passengers, information for

74 Pannell Kerr Forster Associates, Op Cit., Chapter-12, P. 9
75 Hasan, Syed Rashidul, Op Cit., P 109
the visitors to Bangladesh (transit information, tourist visa formalities, customs, currency, destination messages etc.), articles on different aspects of tourism opportunities in Bangladesh and information on in-flight shopping opportunities. All these help promote Bangladesh as a tourist destination to a greater extent.

Biman also uses sales promotion techniques like distribution of attractive Diary, Wall Calendar, Desk Calendar and Telephone Index for both the distributors and the passengers. It also allows student concessions, SAARC countries' package-tour concessions and small rebate for return tickets. It should be mentioned that Biman along with other national airlines of the SAARC countries allows 20% discounts to individuals and 30% discounts for groups for international travel within the region with a minimum stay of seven days and an itinerary that includes no less than three countries.

As Biman's marketing performance is not satisfactory, it fixes up the promotion budget on the basis of its affordability.

Biman's overseas offices also perform the responsibility of distributing booklets, handbooks, posters, folders and other printed materials produced and sent by the BPC. Of course, the BPC executives complained that these sales literatures are not properly distributed among the potential tourists by the overseas offices of Biman Bangladesh Airlines. The respondent tourists also complained that they did not get any such printed promotional materials from the Biman offices in their countries. Even, Biman does not have any planned effort to encourage its customers so that they motivate their friends, relatives, colleagues, neighbours and associates to travel to Bangladesh through its flights. Moreover, Biman’s reputation overseas is not good because it is seen as a poorly run low cost carrier catering almost
exclusively to the ethnic market. Hasan also mentioned that the airline of Bangladesh is not in a position to promote tourism abroad as Biman’s reputation overseas is not good.

Promotion activities of Air Parbat are carried out by the General Sales Agent (GSA) appointed by it. The GSA also bears the advertising expenses. Two other private airlines carry out their promotion activities on their own. All the private airlines in Bangladesh use advertisement and publicity as the means of promotion through daily newspapers and weekly magazines.

As both the BPC and the Civil Aviation are under the same ministry, they should come forward and work jointly with coordinated efforts for promoting tourism in Bangladesh and serving mutual interests by each other.

iv. Promotion Strategies of the Travel Agencies: The travel agencies in Bangladesh do not play any significant role in the promotion of the country’s tourism among the present and potential markets. Even, they do not have any regular promotion practice for their own activities. Occasionally, they advertise in the local dailies and weekly newspapers to promote specific programme to the target market. Almost all the travel agencies mainly promote the individual services rather than the tourism as a whole. Of course, some of them emphasize both the country-image and the individual services. They do not use any local or foreign TV channels.

The travel agencies also adopt sales promotion techniques by allowing discount at about 5% to 7% to their customers with a view to face the existing intense competition in the market. The travel agents in Bangladesh usually get 9%

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77 Pannell Kerr Forster Associates, Op Cit., Chapter-8, P 15
78 Hasan, Syed Rashidul, Op Cit.
commission from the airlines and allow this discount to the ultimate customers from their own commission (9%). Like the statement previously made by Hasan, the travel agents abroad also have little or negative information about Bangladesh and, hence, they do not and cannot guide or suggest the prospective tourists regarding tourism potentials in Bangladesh. Of course, a few of the respondent tourists made such comments that they have got some information regarding tourism in Bangladesh from the travel agents in their countries. Therefore, it seems that the travel agents in the source countries occasionally provide information in a limited scale regarding Bangladesh’s tourism. If the travel agents in the target markets would be made aware properly of the tourism arrangements in Bangladesh, they could guide the potential tourists effectively and play a due role to promote tourism in Bangladesh.

v. Promotion Strategies of the Hotels and Restaurants: Almost all the hotels in Bangladesh mainly focus on visualized symbols like cleanliness of the rooms, soft beds, attractive furniture in the rooms, etc. Besides, they emphasize the comforts and conveniences of their guests. The star hotels and some standard hotels have free intercom and telephone (for local calls only) facilities for their guests. All the star hotels and some standard hotels are found to advertise in the local newspapers, specialized overseas magazines and international hotel guides.

Most of the restaurants (both general and Chinese) emphasize hygienic food, inside decoration and lighting of their firms. They also try to demonstrate good behaviour through the service boys and render prompt services to their customers. At the same time, they consider the location and emphasize the outside atmosphere of the restaurants.